

Atty. Dkt. No. 37607-120

the loan application including the financial information and specifying a loan principal, underwriting the loan to determine an approval status of the borrower for the loan and for other loans based on preselected underwriting guidelines, and calculating a customized interest rate based on the financial information for presentation to the borrower for the loan and for each of the loans for which the borrower is approved.

Marked Up Version of Replacement Paragraphs

The following are marked up versions of the replacement paragraphs indicated in the Reply and Amendment of December 23, 2002. Applicants have used the convention underline to indicate added text and [square brackets] to indicate deleted text.

In the Summary of the Invention:

Please add the following paragraph on page 6, after the third paragraph ending with "...the automated implementation of various aspects of the inventive process":

The system allows a potential borrower to ascertain the likelihood that the borrower will qualify for a mortgage loan online in real time, and to apply for and obtain a loan that is priced to reflect the individual borrower's specific financial and other relevant characteristics. System software evaluates borrower information submitted to the loan originator electronically in real time to make the determination, before the actual loan application is submitted and without the need to obtain a credit report or a collateral appraisal, how likely it is that the potential borrower's loan application will be approved. If the borrower chooses to apply for a loan, the system underwrites the loan and calculates interest rates and points based on the specific financial profile and other relevant characteristics of the particular borrower, and also on the credit risk associated with the borrower. During underwriting, the system makes automatic assessments of underlying collateral based, in part, on historical data stored in a database concerning the collateral, and recommends either an appraisal with an interior and exterior inspection, an appraisal with an exterior-only inspection or no appraisal. The risk associated with not performing an appraisal is factored into the loan pricing as a per loan adjustment to the interest rate. Also, closing costs may be aggregated with the loan principal. Additionally, the system and process calculate the price that the loan originator may expect to receive in the

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secondary loan market when it sells an individual loan to the secondary mortgage market purchaser.

In the Abstract:

Please delete the Abstract and replace with the following:

Systems and methods for online mortgage qualification and application are disclosed. A method for qualifying and applying for a loan online includes obtaining financial information concerning a potential borrower, determining the likelihood that the potential borrower will be approved for a loan, evaluating a loan application for the loan, the loan application including the financial information and specifying a loan principal, underwriting the loan to determine an approval status of the borrower for the loan and for other loans based on preselected underwriting guidelines, and calculating a customized interest rate based on the financial information for presentation to the borrower for the loan and for each of the loans for which the borrower is approved.

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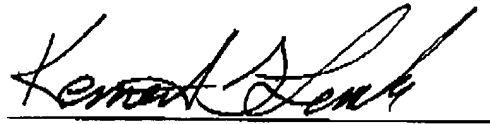
The Applicants believe that the present application is now in condition for allowance. Favorable reconsideration of the application is respectfully requested.

The Examiner is invited to contact the undersigned by telephone if it is felt that a telephone interview would advance the prosecution of the present application.

Respectfully submitted,

Date January 17, 2003

By



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